

<i>Sl. No.</i>	<i>Name of the</i>
41.	Mohar
42.	Nainital
43.	Nasirabad
44.	Pachmarhi
45.	Pune
46.	Ramgarh
47.	Ranikhet
48.	Roorkee
49.	Saugor
50.	Secunderabad
51.	Shahajahanpur
52.	Shillong
53.	St. Thomas Mount
54.	Subathu
55.	Varanasi
56.	Wellington

Loans Advance By Banks

5045. SHRI JAGMIT SINGH BRAR:
Will the Minister of FINANCE be pleased to state:

(a) whether order of priority has been fixed by the nationalised banks for grant of loans;

(b) if so, the details in this regard serial-wise and sector-wise;

(c) the amount of loans distributed dur-

ing each of the last three years, priority-wise;

(d) whether the Government have ever assessed the annual requirements of fund for these priority sectors; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b). The sectors which require assistance from the banking system having preference over other sectors due to their importance and the role played by them in the national economy are included in the priority sector. At present, agriculture and small scale industries are the two major segments of priority sector. The details of each category of borrowers entitled to priority sector lendings are given in the enclosed statement-I. All banks are under instructions of the Reserve Bank of India that at least 40% of their advances should be granted to borrowers in the priority sector and at least 25% of the priority sector advances or 10% of the total advances should be granted to weaker sections in the priority sector which comprise (i) small and marginal farmers, landless labourers, tenant farmers and share croppers (ii) artisans, village and cottage industries (iii) Differential Rate of Interest (DRI) beneficiaries (iv) Integrated Rural Development Programme (IRDP) beneficiaries (v) SC/ST beneficiaries and (vi) Self Employment Programme for Urban Poor (SEPUP) beneficiaries. In addition to above, banks are also required to provide 18% of their total advances as direct finance to the agriculture sector.

(c) the sector-wise amount of outstanding loans extended by public sector banks as at the end of December 1988, September 1989 and March 1990 (latest available) are given in the enclosed Statement-II.

(d) and (e). Under the Service Area Approach to rural lending introduced with

effect from 1.4.1989, rural and semi-urban branches of banks prepare Annual Credit Plans (ACPs) for their respective service area, based on the potential for development of various activities in each of the villages under the jurisdictions of the concerned branch. The service area credit plans are

consolidated into Block Credit Plans and further into District Credit Plans. As per the ACPs referred to above the targets and achievements (disbursements) of loans to various sectors during the years 1988, 1989-90 and 1990-91 were as under:

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Sector	1988		1989-90		1990-91	
	Jan 88 to Dec. 88		Apr 89 to Mar 90		Apr 90 to Mar 91	
	Target	Achievement	Target	Achievement	Target	Achievement
1	2	3	4	5	6	7
Agriculture	8208	8988	10371	9270	11615	8903
SSI	2247	2132	2643	2391	2805	2586
Services	2334	2590	2577	2441	2771	2501
Total	12790	13710	15590	14103	17190	13991

STATEMENT-I**List of Items Included in Different Segments of Priority Sector****1. Agriculture**

Direct finance to farmers for agricultural purposes

(i) Short-term loans for raising crops: i.e., for crop loans. In addition, advances upto Rs. 5,000/- to farmers against pledge/hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 3 months, where the farmers were given crop loans for raising the produce.

(ii) Medium and long-term loans:

(provided directly to farmers for financing production and development needs.)

(A) Purchase of agricultural implements and machinery:

(a) purchase of agricultural implements:

Iron ploughs, harrows, hose, land levellers, bund formers, handtools, sprayers, dusters, hay-press, sugar-cane crushers, thresher machines, etc.

(b) purchase of farm machinery:

tractors, trailers, power tillers, tractor accessories viz., disc ploughs, etc.

(c) Purchase of trucks, bullocks carts and other transport equipments, etc., to assist the transport of agricultural inputs and farm products.

(d) Purchase of plough animals.

(B) Development of irrigation potential through:

(a) Construction of shallow and deep tube wells, tanks, etc., and purchase of drilling units.

(b) Constructing, deepening, clearing of surface wells, boring of wells, electrification of wells, purchase of oil engines and installation of electric motors and pumps.

(c) purchase and installation of turbine pumps, construction of field channels (open as well as underground), etc.

(d) Construction of lift irrigation project.

(e) Installation of sprinkler irrigation system.

(C) Reclamation and land Development Schemes:

Bundling of farm lands, levelling of land, terracing conversion of dry paddy land into wet irrigable paddy lands, development of farm drainage, reclamation of soil lands and prevention of salinisation reclamation of revine lands, purchase of bulldozers etc.

(D) Construction of farm buildings and structures, etc.:

Bullock sheds, Implement shed, tractor and truck sheds, far stores, etc.

(E) Construction and running of storage facilities:

Construction and running of warehouse, godowns, silos and cold storages.

(F) Production and processing of hybrid seeds of crops:

(G) Payment of irrigation charges, etc.

Charges for hired water from wells and tubewells, canal water charges, maintenance and upkeep of oil engines and electric motors, payment of labour charges, electricity charges, marketing charges, service charges to Custom Service Units, payment of development cess, etc.

(H) Other types of direct finance to farmers :**(i) short-term loans****(a) To non-traditional plantations and horticulture**

(b) For allied activities such as dairying, fishery, piggery, poultry, bee-keeping etc.

(ii) Medium and long term loans**(a) Development loans to all plantations horticulture, forestry, etc.****(b) Development loans for allied activities:**

(1) Development of dairying and animal husbandry in all its aspects.

(2) Development of fisheries in all its aspects : from fish catching to stage of export, financing of equipment necessary for deep sea fishing, rehabilitation of tanks (fresh water fishing), fish breeding etc.

(3) Development of poultry, piggery, etc., in all its aspects including erection of poultry houses, pig housed, bee keeping etc.

(4) Development and maintenance of stud farms, seri-culture etc. How-

ever, Breeding of race horses cannot be classified here.

(5) Bio gas plants.**II. Indirect Finance to Agriculture**

(1) Credit for financing the distribution of fertilisers, pesticided, seeds, etc.

(2) Loans to Electricity Boards for reimbursing the expenditure already incurred by them for providing low tension connections from step-down point to individual farmers for energising their wells.

(3) Loans to farmers through PACS, FSS AND LAMPS.

(4) Other types of indirect finance such as,

(i) Credit for hire-purchase schemes for distribution of agricultural machinery and implements.

(ii) Loans for construction and running of storage facilities (warehouse, market yards, godowns, silos and cold storage) in the producing areas (*if the loans to the cold storage are covered by the guarantee of the Deposit Insurance and Credit Guarantee Corporation (DICGC), they should be classified under SSI advances.

(iii) Advances to Custom Service Units managed by individuals, institutions or organisations who maintain a fleet of tractors, bulldozers, well-boring equipment, threshers, combines, etc., and undertake work from farmers on contract basis. If these advances are covered by the guarantee of DICGC, they should be classified under SSI advances.

(iv) Loans to individuals, institutions

or organisations who undertake spraying operations.

(v) Loans to co-operative marketing societies, co-operative banks for relending to co-operative marketing societies (provided a certificate from the state Co-operative Bank in favour of such loans is produced) for disposing of the produce of members.

(vi) Loans to co-operative banks of producers (e.g. Aarey Milk Colony Co-operative Bank, consisting of incense-cattle owners)

(vii) Financing the farmers indirectly through the co-operative system (otherwise than by subscription to bonds and debentures issues) provided a certificate from the State Co-operative Bank in favour of such loans is produced.

(viii) Advances to State-sponsored Co-operations for onward lending to weaker sections.

2. *Small Scale Industries*

Small scale industrial units are those engaged in the manufacture, processing or preservation of goods and whose investment in plant and machinery (original cost) does not exceed Rs. 20 lakhs. These would, inter alia, include units engaged in mining or quarrying, servicing and repairing of machinery. In the case of ancillary units, the investment in plant and machinery (original cost) should not exceed Rs. 25 lakhs to be classified under small scale industry.

Service oriented enterprises having investment in plant and machinery in each case not exceeding Rs. 2 lakhs and which are located in rural areas and towns with a population of 5 lakhs or less are also to be treated as small scale

industrial units such small scale establishments would typically cover personal or household services required in urban, semi-urban/rural contexts such as laundry, zeroxing, repair and maintenance of consumer durables, etc.

Indirect finances in the small-scale industrial sector will include credit to:

(i) agencies involved in assisting the decentralised sector in the supply of inputs and marketing of outputs of artisans, village and cottage industries, and

(ii) Government-sponsored Corporations/organisations providing funds to the weaker sections in the priority sector.

Industrial Estates

Loans for setting up industrial estates.

3. *Small Road and Water Transport Operators*

Advances to small road and water transport operators owning a fleet of vehicles not exceeding six vehicles, including the one proposed to be financed.

4. *Retail Trade*

Advances granted to (i) private retail traders dealing in essential commodities (fair price shops) and consumer co-operative stores (ii) other private retail traders with credit limits not exceeding Rs. 25,000/- (Retail traders in fertilisers will form part of indirect finance for agriculture and retail traders of mineral oils under small business).

5. *Small Business*

Small business would include indi-

viduals and firms managing a business enterprise established mainly for the purpose of providing any service other than professional services whose original cost price of the equipment used for the purpose of business does not exceed Rs. 2 lakhs with working capital limits of Rs. 1 lakh or less and who are eligible for DICGC cover. Advances for acquisition, construction, renovation of house-boats and other tourist accommodation will be included here. Distribution of mineral oils which was earlier classified under 'retail trade' shall now be included under 'small business'.

6. Professional and Self-Employed persons

Loans to professional and self-employed persons include loans, for the purpose of purchasing equipment, repairing or renovating existing equipment and/or acquiring and repairing business premises or for purchasing tools and/or for working capital requirements to medical practitioners including Dentists, Chartered Accountants, Cost Accountants, Lawyers or Solicitors, Engineers, Architects, Surveyors, Construction contractors or Management consultants of to a person trained in any other art or craft who holds either a degree or diploma from any institutions established, aided or recognised by Government or to a person who is considered by the bank as technically qualified or skilled in the field in which he is employed. Preference may be given by banks to finance professionals like doctors, etc. who are carrying on their profession in rural or semi-urban areas. The term also includes firms and joint ventures of such professional and self-employed persons. This category will include all advanced granted by the bank under special schemes, if any, introduced for the purpose. Only such

professionals and self-employed persons whose borrowings (limits) do not exceed Rs. 2 lakhs of which not more than Rs. 1 lakh should be for working capital requirements and who are eligible for DICGC cover should be covered here.

7. State Sponsored Organisations for Scheduled Castes/Scheduled Tribes

Advances sanctioned to state sponsored organisations for Scheduled Castes/Scheduled Tribes for the specific purpose of purchase and supply of inputs to and/or the marketing of the outputs of the beneficiaries of these organisations.

8. Education

Educational loans should include only loans and advances granted to individuals for educational purposes and not those granted to institutions and will include all advances granted by banks under special schemes, if any, introduced for the purpose.

9. Housing

(a) Direct Finance

Loans upto Rs. 5,000/- for construction of houses granted to Scheduled Castes/Scheduled Tribes and the other weaker sections of the society irrespective of DICGC coverage.

(b) Indirect Finance

(i) Assistance given to any governmental agency for the purpose of constructing houses exclusively for the benefit of Scheduled Castes/Scheduled Tribes and low income groups and where loan component does not exceed Rs. 5,000/- per unit.

(ii) Assistance to any governmental agency for slum clearance and rehabilitation of slum dwellers subject to other conditions specified above.

10. Consumption

Pure consumption loans granted under the consumption Credit Scheme should be included in this item.

STATEMENT-II

(Rs. in crores)

S. No.	Segments of Priority Sector	Dec. 1988	Sept. 89	March 90
1.	Agriculture	13570	14981	16516
2.	(i) SSI	11235	13766	15015
	(ii) Industrial Estates	1011	90	61
3.	Small Road & Water Transport	2166	2265	2377
4.	Retail Trade	1963	2173	2374
5.	Small Business	1178	1350	1427
6.	Professional & Self Employed	1102	1208	1332
7.	State Sponsored Organisations for Scheduled Casts/ Scheduled Tribes	25	66	43
8.	Education	55	64	67
9.	Housing	229	276	330
10.	Consumption Loan	24	24	24

[English]

Exports of Textile Products of Indonesia

5046. DR. RAJAGOPALAN SRIDHARAN: Will the Minister of TEXTILES be pleased to state:

(a) the quantity of textile products ex-

ported to Indonesia during the last two years; and

(b) the steps taken to increase these exports?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI ASHOK GEHLOT): (a) The total value of textile exports to Indonesia during 89-90 and 90-91 amounts to Rs. 20.71 Cr and Rs. 11.21 Cr